



Volume 14 No.5, January 15, 2008

CHAIRMAN'S MESSAGE – LEONARD BLOCKA

HAPPY NEW YEAR ONE AND ALL!!!! On behalf of Milk Control Board members and staff, I want to wish producers and other industry partners the very best of health and happiness in the New Year.

As announced in the December, 2007 newsletter, we are pleased to welcome Mr. Ryan Boughen as the new C.E.O. of the Milk Control Board. The Board members and staff look forward to working with Ryan and we ask that you join us in welcoming him as we move forward as an industry.

Provincial Production Update

Based on August to December production, the Board estimates that the province will produce 96.87% at the end of January, 2008. We urge you to produce your full quota so the significant growth in market demand can be filled by Canadian milk.

QUOTA EXCHANGE

The fifth butterfat Quota Exchange of the 2007-2008 dairy year was conducted on January 15, 2008. The market-clearing price established for the Unused Quota Exchange was **\$60.00**. The market-clearing price established for the Used Quota Exchange was **\$45.00**. The results of the January 2008 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2007-2008 dairy year will be held on February 15, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, February 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is established at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

TABLE I

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	\$60.00
Kilograms offered to Purchase – total	33,750
Kilograms offered to Sell	5,025
Kilograms sold	5,025
Number of Producers	
- offered to purchase	9
- purchased quota	2
- offered to sell	2
- sold quota	2

UNUSED QUOTA EXCHANGE

Price (\$/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
45.00	1	1	25	25	-33,725	-33,750	0	9	0
50.00	0	1	0	25	-33,725	33,750	3,500	9	2
52.60	0	1	0	25	-30,225	30,250	1,000	7	1
54.00	0	1	0	25	-29,225	29,250	500	6	1
55.00	1	2	5,000	5,025	-23,725	28,750	0	5	0
56.00	0	2	0	5,025	-23,725	28,750	7,500	5	1
58.00	0	2	0	5,025	-16,225	21,250	750	4	1
59.00	0	2	0	5,025	-15,475	20,500	2,000	3	1
60.00	0	2	0	5,025	-13,475	18,500	18,500	2	2

TABLE II

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	\$ 45.00
Kilograms offered to Purchase	6,000
Kilograms offered to Sell	6,000
Kilograms sold	6,000
Number of Producers	-----
- offered to purchase	1
- purchased quota	1
- offered to sell	1
- sold quota	1

USED QUOTA EXCHANGE

Price (\$/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
45.00	1	1	6,000	6,000	0	6,000	6,000	1	1

BUTTERFAT PRODUCTION AND COMPONENT PRICING, DECEMBER 2007

Butterfat production for December 2007 totalled approximately 761,483 kilograms. This was approximately 7.74% higher than December 2006 shipments. **For the first five months of the 2007-2008 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 3,675,126 kilograms. In the first five months, the province has shipped 95.90% of that amount.**

The weighted average component tests and prices for the province in December are indicated in Table III.

Over quota (4m) holdings are \$1,498,704.65 for the first five months of the 2007/2008 dairy year.

TABLE III

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8814	\$10.717208
Protein	3.3907	\$ 7.717208
Other Solids	5.6694	\$ 1.153868

Based on the average component tests for the province, the average price received was \$74.3173 per hectolitre. The average butterfat price received per kilogram was \$19.14.

SASKATCHEWAN MILK POOL RESULTS December 2007

TABLE IV

Milk Sale Revenue	\$ 14,928,165.48
Western Milk Pool	\$ -248,129.82
Dairy Farmers of Canada Skim Off	\$ -20,602.89
Plant of Last Resort Service	\$ -57,921.84
Truck Seals	\$ - 2,390.85
Total Pool Value	\$ 14,599,120.08

ACCOUNTING VALUES FOR CLASSES OF MILK – January 2008

TABLE V

	Butterfat (\$/kg)	(\$ per hl. Skim milk)	
Class 1a	\$5.3000	\$60.41	
Class 1b	\$5.3000	\$60.41	
Class 1c	\$5.3000	\$54.30	
	Butterfat (\$/kg)	Protein (\$/kg)	Other Solids (\$/kg)
Class 2	\$7.2333	\$5.4013	\$5.4013
Class 3a	\$7.2333	\$12.6330	\$0.8428
Class 3b	\$7.2333	\$12.4025	\$0.8428
Class 4a, 4b, 4d & 4d(i)	\$7.2333	\$5.0219	\$5.0219
Class 4a(i)	\$7.2333	\$1.7000	\$1.7000
Class 4c	\$7.2333	\$4.3370	\$4.3370
Class 4m	\$0.00	\$0.00	\$0.00
Class 5a	\$2.9960	\$8.6647	\$0.5405
Class 5b	\$2.9960	\$3.7910	\$3.7910
Class 5c	\$4.3358	\$3.7556	\$3.7556
Class 5d	As determined by	the CDC	

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for December, 2007. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

For the 2007-2008 dairy year, the Board will continue to provide these results on a monthly basis. We hope this information will assist producers with their management decisions regarding the utilization of their butterfat quota. If you have any questions, please contact our office.

2007/2008 Quota Policy Clarification

Under the Quota Management Policy point #2 paragraph two, the policy states:

If Saskatchewan, as a province, ships below 97% for the period ending January 31st, the difference between 97% and the actual amount shipped will be suspended and reallocated to other provinces that are capable of producing this shortfall.

Individual producers who ship below 97% in the first six month period ending January 31st, will have their quota allocation reduced and suspended for the balance of the dairy year on the basis of the difference between their actual production and 100%, to absorb the provincial suspended quota. This quota would be reinstated at the start of the new Dairy Year.

The policy should have stated:

If Saskatchewan, as a province, ships below 97% for the period ending January 31st, the difference between 97% and the actual amount shipped will be suspended and reallocated to other provinces that are capable of producing this shortfall.

Individual producers who ship below 97% in the first six month period ending January 31st, will have their quota allocation reduced and suspended for the balance of the dairy year on the basis of the difference between their actual production and up to 100%, to absorb the provincial suspended quota. This quota would be reinstated at the start of the new Dairy Year.

2008 WESTERN CANADIAN DAIRY SEMINAR

The 26th annual Western Canadian Dairy Seminar will be held March 4 – 7, 2008 at the Capri Hotel Convention and Trade Centre in Red Deer, Alberta.

The theme for this year's seminar is "Managing Resources for Increased Profitability". Please find enclosed a brochure.

Further details and on-line registration will be available on the website <http://www.wcds.afns.ualberta.ca/> or you can call Joanne Morrison the Conference Coordinator at (780) 492-3236 or email her at wcds@afhe.ualberta.ca

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

For Sale

- 2000 gallon Delaval tank. Contact James Hein (306) 365-3209
- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997
- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.
- Holstein heifers and cows for sale. Contact Sheldon Peifer (306) 862-9470. Cell phone (306) 862-7140.
- Holstein cows for sale. Contact Chad Knittig at (306) 598-2054 between noon and 1:00 p.m.

Want to Swap Quota

- Jim Gorrill would like to swap out quota. Phone (306) 725-4828.

- Kevin Flath would like to swap out quota. Phone (306) 549-2129
- Brad Kornelius would like swap out quota. Phone (306) 239-4200 or (306) 260-4904.
- Levi at Bench Colony would like to swap in quota. Phone (306) 297-3270.
- Bill Slootweg would like to swap out approx 2000 kilograms quota. Phone (306) 597-4416.
- Melanie Zalewski would like to swap out quota. Phone (306) 764-7865.

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Phone – (306) 764-8439
Dr. David Christensen	Dairy researcher/professor U of S – Phone (306) 966-4152
Joseph Guenther	Dairy producer – Phone (306) 239-4689
David Finlay	Dairy producer – Phone (306) 493-2403
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.

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